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Former Concentration Camp Inmate Claims Half of Austria's Gold

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By EDWARD J. BYNG

WIENNA. Austria may have to hand over 500,000 gold dollars, almost a tenth of its gold holdings, to a former concentration camp inmate, Herbert Herzog.

And the U.S. Army will figure prominently in trial of Mr. Herzog's legal action against Austria's national bank

The case centers around the \$5,000,000 gold hoard known as the "Ribbentrop treasure" which constitutes the bulk of the gold reserve for the Austrian currency.

In the night of June 17, 1945, by flickering torchlight in the best manner of a mystery thriller, tall, clean shaven, broad shouldered, 32-year-old Herzog turned over the treasure to representatives of the U. St Army.

Twenty months later, on Feb. 19, 1947, in a solemn ceremony, Lieut. Gen. Geoffrey Keyes, then deputy commander-in-chief of U. Si forces in Austria, passed the gold hoard on to Dr. Leopold Figl, then chancellor, now foreign minister, of Austria.

It was this American action that enabled the Austrians to back their money with gold, making it one of the stablest currencies in Europe.

Mr. Herzog now is suing Austria's national bank for a finder's reward of 10 per cent, or 500,000 gold dollars.

THE origin of Herzog's claim goes back to Mussolini's shortlived Fascist republic in northern Italy. On Feb. 5, 1944, under pressure from Hitler, the Duce transferred the National Bank of Italy's gold reserves to his Nazi ally. Over 50 metric tons of gold were taken to Berlin.

In April, 1945, in a last desperate attempt to prevent the collapse of his regime, Hitler decided to concentrate the remnants of his shattered armies for a last stand in the mountains of western Austria.

To provide a war chest for the stronghold Nazi Foreign Minister Joachim von Ribbentrop, hanged as a war criminal a year later, transferred 81 sacks of the Italian gold from Berlin to Austria's Salzburg area. He assigned Councilors of Legation Franz von Sonnleithner and Berndt Gottfriedsen to find a suitable hidingplace for the gold.

The two men consulted Joseph Krennwallner, Nazi political boss of the Salzburg region. Krennwallner called in Aloysius Ziller, his local representative in the village of Hintersee near Salzburg, and ordered him to help the two Nazi diplomats hide the treasure.

During the night of April 29-30, 1945, German military trucks brought the money to Ziller's farm at Hintersee. Ribbentrop's emissaries and a few picked members of the Nazi military police buried the gold in a pit in Ziller's barn.

A few days later, the American forces overran the German army units in Austria.

LIBERATED from the notorious Nazi concentration camp of Buchenwald, Viennese Herbert Herzog returned to Austria in search of his widowed mother. In Gastein, west Austrian health resort, he met Gottfriedsen, whom he had known for many years.

The diplomat, altho anti-Nazi at

heart, expected to be arrested as a former Nazi official. He revealed the hiding place of the Ribbentrop treasure to Herzog and made him promise to pass it on to the newly constituted Republic of Austria.

A few days later Gottfriedsen was arrested, and Mr. Herzog set about carrying out his patriotic assignment. In Salzburg, representatives of the new Austrian government informed him that executive power in western Austria rested at the moment with the American military authorities.

Mr. Herzog promptly called on the latter.

On June 17, 1945, officers of the U. S. counter-intelligence corps, accompanied by Mr. Herzog and Berndt Gottfriedsen, who had been located in a detention camp, drove to the Ziller farm. Sack after sack of gold coins was pulled out of the pit. The sacks still bore the original seals of the Bank of Italy.

In Salsburg, on February 19, 1947, the Americans handed over the five tons of gold to Chancellor Dr. Leopold Fig. Mr. Herzog then asked the Austrian author ities to pay him a finder's reward. He claims that wherever he went he met with either silence or procrastination.

IN September, 1952 Herzog joined forces with the National Bank of Italy when the bank stepped into the picture by suing the Austrian National Bank for restifution of the gold.

The return to Italy of the "Ribbentrop," or rather "Mussolini Treasure," might have led to the collapse of the Austrian economy.

Therefore, last spring, after repeated adjournments of the case labeled "National Bank of Italy versus National Bank of Austria" on the calendar of the Vienna court, international diplomacy intervened in this matter of vital significance for Austria.

To save the country from economic disaster, the International Gold Pool in Brussels decided that the gold was to remain in Vienna, as partial compensation for the removal of Austria's own gold reserves by the Nazis in 1938.

However, the time has not yet come when the men responsible for Austria's finances can heave

a sigh of relief. Mr. Herzog now is suing the Austrian National Bank for his finder's reward. His case is scheduled for trial this fall in Vienna.